

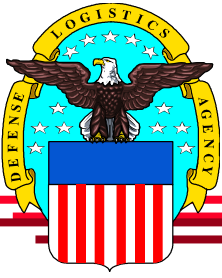
# Internal Customer System

**“A Study in Process Improvement”**

**Commander's  
Conference 5 May  
1999**

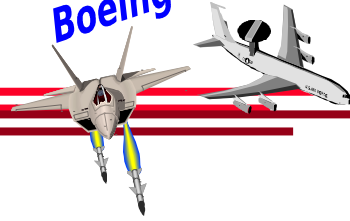
**Ms. Marilyn Fox  
Maj. Charlie Kelley**





# Agenda

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**1997 CAO Survey Results**

**AFI Selection Process**

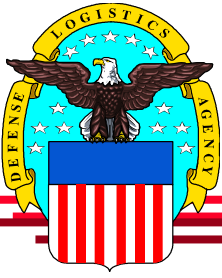
**Plan of Attack**

**Evolution - Process Improvement**

**Results**

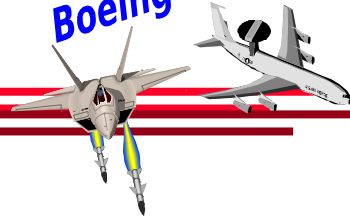
**Future Efforts**

**Questions**



# Organizational Structure

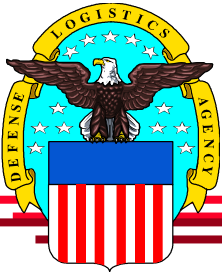
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**(1997)**

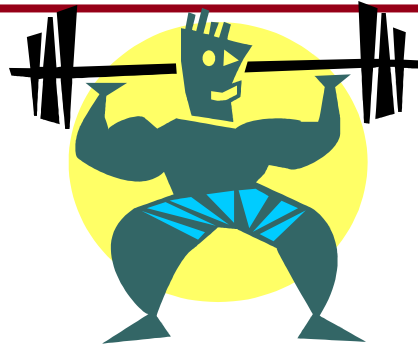
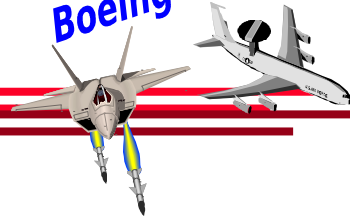
<b>Civilians</b>	<b>116</b>
<b>Military</b>	<b>19</b>
<b>Total</b>	<b>135</b>

**Survey Response Rate      93.3%**

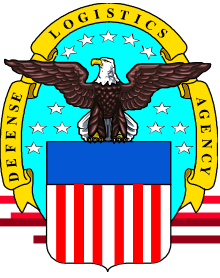


# Strengths

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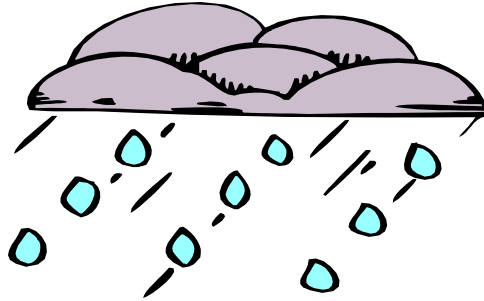
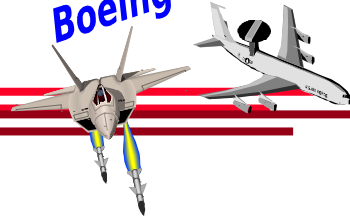


- 1. Customer Focus**
- 2. Goal Alignment**
- 3. Team Orientation**
- 4. Continuous Improvement**
- 5. Your Team**

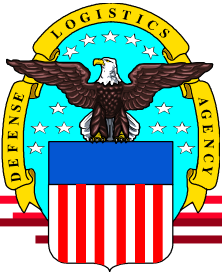


# Areas for Improvement

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**Boeing-Seattle**



- 1. DCMC Planning System**
- 2. Review (for AFIs)**
- 3. Personal Development**
- 4. Management by Fact**
- 5. Business Support**



# Selecting Areas to Improve

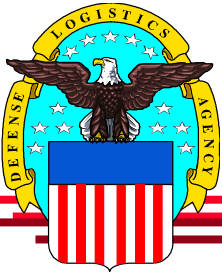


- **Briefed Managers on Survey Results**
- **Reviewed Down to Team Level**
  - **USA Gaps**
  - **IOA Findings**
  - **CAO Survey Results**

**Prioritized Areas for Improvement at Off-**

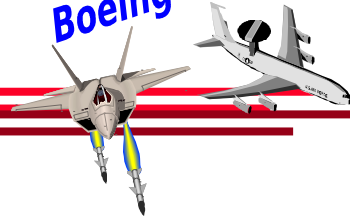
**1. DCMC Planning System**

**2. Management by Fact**



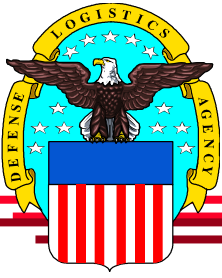
# Improvement Actions

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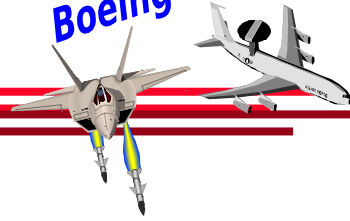
## “Teaming Approach”

- **Chartered Performance Planning Team - Sep**
  - Develop Meaningful Organizational Performance Plan
  - Tie Performance Plan Goals into Employee Work Plans
- **Chartered Metrics Team - Sept 97**
  - Develop Meaningful Internal Metrics to Measure Process Efficiency & Health
  - Provide Senior Management a Tool to Support Decision Making
- **Teams developed schedules and set milestones**
- **Reviewed Progress Quarterly**



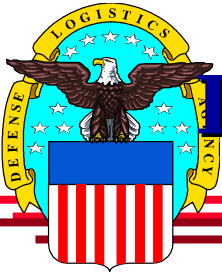
# Evolution

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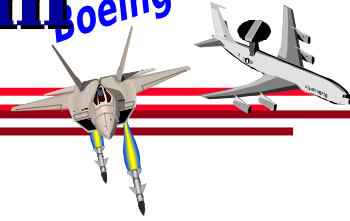
- **Progress Stalemated**
  - **Workloads**
  - **Communication**
  - **Working Supervisors**
  - **Firefighting Priority System**
- **Root Cause Analysis by Both Teams Revealed the Need for an Integrated Management System**
- **Senior Management Chartered Process Management Integration Team (PMIT) - Feb 98**





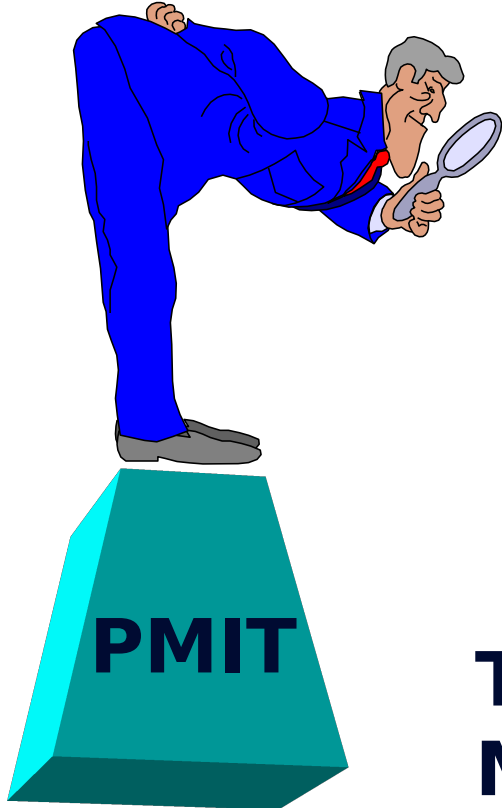
# Integrated Management System

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## - Focus on Five Major Areas:

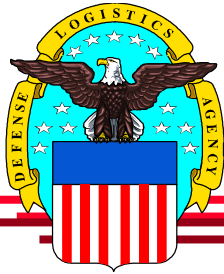
1. Performance Planning (A
2. Workplan Utilization
3. Surveillance Planning
4. Measurement by Fact (AF
5. Integrated Assessment



**Team Set Milestones**

**Met Weekly**

**Progress Reviewed Quarterly**



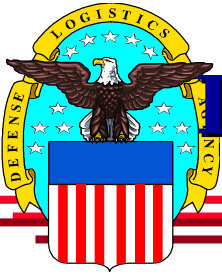
# Results



## Concerns

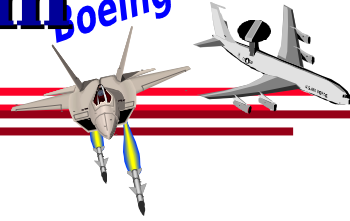
## Solutions

<ul style="list-style-type: none"><li>Establish/Communicate Priorities</li></ul>	Off-site. Commander's Call E-Mail & Team Meetings IMS Home Page	Oct 97 Jan 98 Nov 98 Apr 99
Tracking/Workload Assessment	Developed on-line Suspense Tracking System	Jul 98
<ul style="list-style-type: none"><li>Management Focus</li></ul>	Process Management Steering Group (PMSG)	Mar 97
	Established Integrated Management Steering Group (IMSG)	Apr 98
Employee Work Plans (EWP)	Working Group to address EWP linkage to Performance Plan	Ongoing



# Integrated Management System

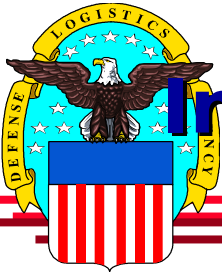
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## Concerns

## Solutions

- **Functional Expertise for Processes** **All processes have a SME and P Functional Meetings** **Jul 98**
- **Realignment of RBT** **Established Assessment and Integration Support Team (ASSIST)** **Sep 98**
- **Need a Data System for Metrics & Planning** **ASSIST Developed IPAS** **Sep 98**



# Internal Process Assessment System



## Focus on 32 Key Processes

Identified by: Risk, Hours, Mgmt Focus

Process Owner Defined Metrics + DCMC Metr

## Business Focus Areas

Contract Administration

Engineering

Manufacturing

General Management

Pricing

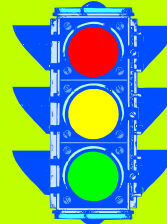
Program Management

Property

Quality Assurance

Software

Organizational CAS



LAN Based System



Icon

# DCMC Boeing-Seattle Integrated Management System

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## Internal Process Assessment System

Page owned by Dave Ricee



## PS/SME List

Page owned by Dave Rice



## Boeing Process Assessment System

Page owned by Maj Kelley



## Organization Chart

Page owned by Barb Brandwie



## Unit Cost Analysis

Page owned by Maj Kelley



## DCMC Boeing Seattle Phone List

Page owned by Rnita Jacklin



## Unit Self Assessment

Page owned by Maj Hader



## HSIs

Page owned by Dave Rice



## Performance Plan

Page owned by Maj Kelley



## Management Control Reviews

Page owned by Larry Hopper



## Suspense Tracking System

Page owned by Dave Rice



## Annual Statement of Assurance

Page owned by David Winningham



## Distinguished Visitors

Page owned by Maj Kelley



DCMC Home Page



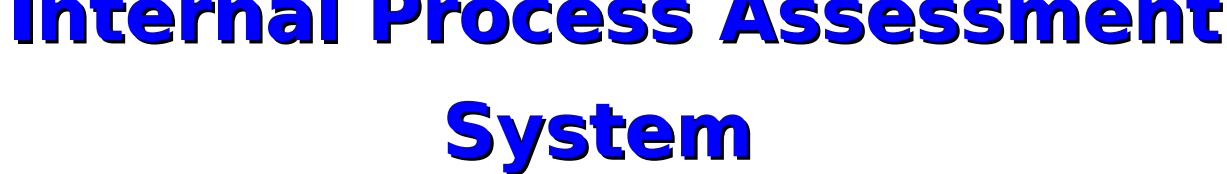
DCMC What's New



DCMC Boeing-Seattle Home Page

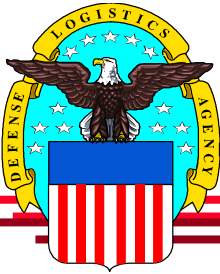


DCMC Boeing-Seattle Integration & Support Team



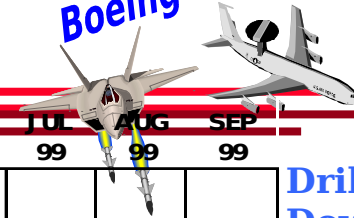
## Drill Down





# Contract Administration

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SME / PS		OCT 98	NOV 98	DEC 98	JAN 99	FEB 99	MAR 99	APR 99	MAY 99	JUN 99	JUL 99	AUG 99	SEP 99
<b>1.0 Contract Administration</b>	Hull (SME)				*	*							
<b>31 - Contract Receipt, Review &amp; Postaward</b>	Owings												
<b>31-(35) - Quarterly Limitation of Payments</b>	Hull												
<b>31-(36)-T&amp;M Financial Surveillance Plan</b>	Bean												
<b>31-(46)-Contract Modifications</b>	Alfredson												
<b>31-(49)-Over &amp; Above Process</b>	Rosenberger												
<b>31-(146)-Limitation of Cost or Funds Notification - Monitoring</b>	Owens												
<b>006 - Reimbursable CAS</b>	Uchytel												
<b>141 - Public Vouchers - Fee Voucher</b>	Schulz												
<b>145 - Progress Payments</b>	Hull												
<b>181 - Contract Closeout</b>	Rosnick												
<b>Performance Plan Goals</b>													

Drill  
Down

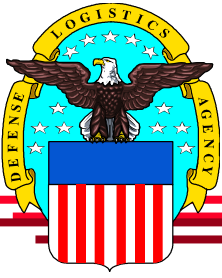


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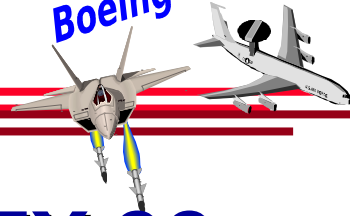
BACK





# Contracts Performance Plan Goals

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**FY 99**

1Q	2	3	4Q
Q		Q	



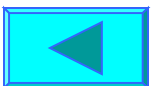
**Metrics**



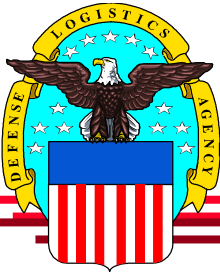
**Metrics**

- **Performance Goal 1.2.5 - Ensure 85% of canceling funds do not cancel.**

- **Performance Goal 2.1.3 - Achieve closeout of 75% of other than Firm Fixed Price Contracts, and 90% of Fixed Price Contracts within the FAR mandated timeframes.**







# CONTRACT CLOSEOUT

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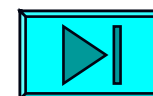


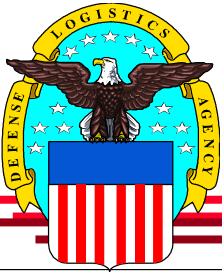
PROCESS - 181	OCT 98	NOV 98	DEC 98	JAN 99	FEB 99	MAR 99	APR 99	MAY 99	JUN 99	JUL 99	AUG 99	SEP 99
Contract Closeout-Overall		*										
Contract Closeout		*		*								
RB Overage Goal - Performance Goal 2.1.3.												
% FFP Closed on time - Performance Goal 2.1.3.												
% other than FFP Closed on time - Performance Goal 2.1.3.												
Canceling Funds												
DCMC Canceling Funds - Performance Goal 1.2.5.												

Metrics Definitions

181-Budget Chart

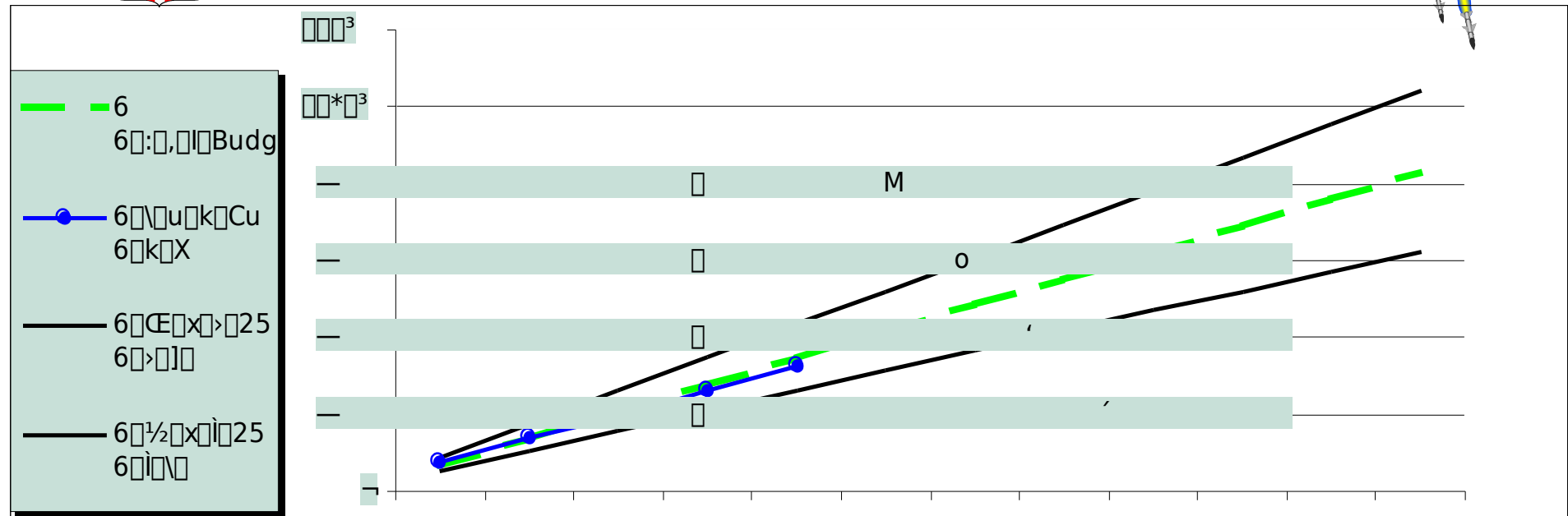
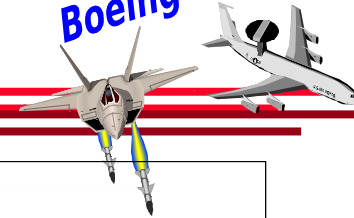
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# CONTRACT CLOSEOUT BUDGET FY99

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	Oct-98	Nov-98	Dec-98	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99
Budget Hours	695	695	695	695	695	695	695	695	695	695	695	695
Actual Hours	753	647	517	712	646							
Cum Budgeted Hrs	695	1390	2085	2780	3475	4170	4865	5560	6255	6950	7645	8340
Cum Actual Hours	753	1400	1917	2629	3275							
25% < Than Budget	521	1043	1564	2085	2606	3128	3649	4170	4691	5213	5734	6255
25% > Than budget	869	1738	2606	3475	4344	5213	6081	6950	7819	8688	9556	10425

Next Update Due: April 10, 1999

Process Specialist: Vennette Rosnick

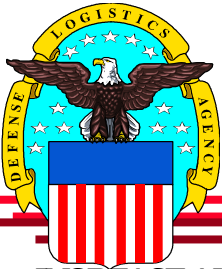
Budget Performance

Green

PLAS CODE: 0181

Chart Number: 0181b.ppt





# Plant Clearance Actions Resulting From MRM # 5

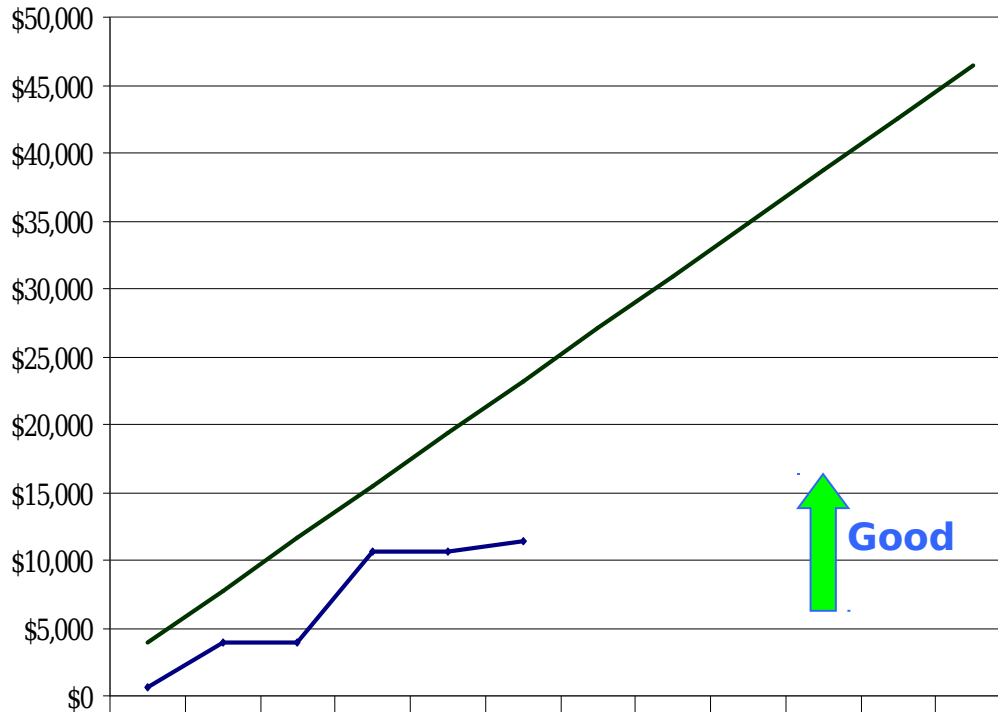


INCREASE AMOUNT OF EXCESS PROPERTY DISPOSED OF BY 20%

DCMC Metric 3.2.1.2

Process : 102

Process Rating: **YELLOW**



DOLLARS ARE  
IN THOUSANDS

## Metric Information

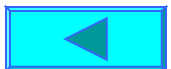
**Root Cause Analysis :**  
Decreasing potential to  
identify and dispose of  
excess.

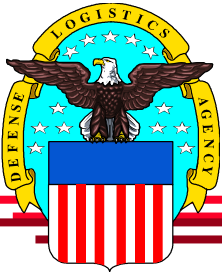
**Effect from Law of  
Diminishing Marginal  
Returns.**

**Corrective Action Plan :**

**Continue with current  
process, stress  
continued review for  
and declaration of  
excess property.**

FY99	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Dispositioned	683.4	3283.0	0.3	6664.5	16.4	741.2						
Cumulative \$(000)	683	3,966	3,967	10,631	10,648	11,389						
Goal (+20%)	3,868	7,735	11,603	15,470	19,338	23,205	27,073	30,940	34,808	38,675	42,543	46,410
Updated as of March 9, 1999												Performance: <b>Yellow</b>





# % FFP Closed on Time



## Definition:

Achieve closeout of 90% of Firm Fixed Price contracts within FAR mandated timeframes

## Purpose:

Successful accomplishment of the metric will keep the overage contract backlog from growing and help clean up the MOCAS

## Clarification S:

database  
- Subtract the final acceptance date of each FFP contract from its closure date to determine if the contract closed within 180 days (six months)  
- In calculating the metric, the numerator is the total number of FFP contracts that closed within 180 days or less from their date of final acceptance  
- The denominator is the total of all FFP contracts that closed

## Source of Data:

during the period  
Shared Data Warehouse

## Verification

## Method:

Review and comparison of  
MOCAS

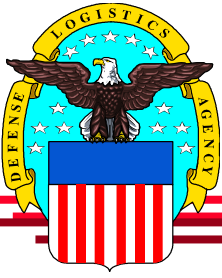
## Frequency:

Once a month

## Sample Calculation:

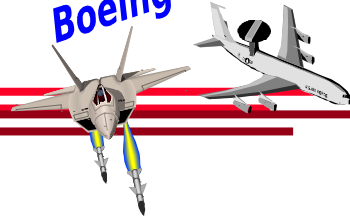
Total FFP contracts closed on time  
-----  
Closed on Time  
Total FFP contracts closed

= % FFP



# Benefits

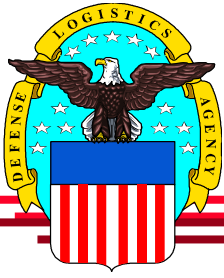
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- **Gives Process Ownership to Employees**
- **Enables Employees to Perform at Higher Levels**
- **Employees Better Understand Expectations**
- **Frees up Supervisors - Avoids Micromanaging**
- **Provides a Vehicle for Process Improvement**

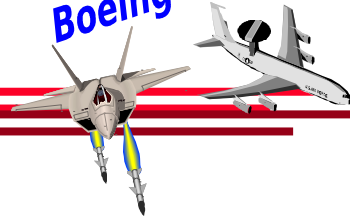


**Embraced by Senior Leaders**  
**Yellow is Not Bad!**  
**80% Rule**



# Next

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- **Continue activities to link employee workplans to performance plan**
- **Continue Maturing of IPAS Metrics**
- **Integrate MCR and USA into the IPAS Process**
- **Begin 2 AFIs from the 1999 Internal Customer Survey**